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4 October 1979

SUBJECT: Material for Use by the DD/A in Addressing the Question in the
NAPA Report on Costs of the Agency's Personnel Management
System

1. As a preliminary observation, it should be noted that this Agency performs functions characteristically found in other Federal agencies, e.g., record-keeping, file room, personnel processing, etc. What is different is that almost everything we do within the Agency must take into consideration impact on sources and methods, and security and cover. For example, access to the Agency's personnel data and records must be tightly controlled so as not to identify cover affiliation of large numbers of Agency personnel; we withhold data regarding numbers and types of personnel; we administer entire systems outside of the scrutiny or control of the Office of Personnel Management. Relationships with other Federal agencies when acquiring benefits may not be done routinely. For example, employees injured on the job elsewhere can deal with the Department of Labor directly. Our people may not because of the need to protect the classified information that might be associated with injury, illness or death. Social Security coverage of current personnel must be handled in a secure way. Special arrangements have to be made for processing Civil Service retirement applications, etc. Employee emergencies must be handled with careful regard to the Agency's security requirements. In addition, the Agency has certain statutory responsibilities not normally found elsewhere. We have our own internal retirement system, and an overseas medical benefits program. We are exempted from the Classification Pay Act so as to prohibit external access to job data, positions and organizational structures. The Agency found it necessary to establish its own recruitment offices so that the specific needs of the Agency could be identified and fulfilled. In retirements affairs, and as a corollary to the requirement to keep a young and vigorous work force, the Agency feels it necessary to have an active pre-retirement program to assist separating employees find work, especially in the Clandestine Service.

2. The Agency's personnel management system has been developed to fulfill its responsibility on a worldwide basis, which includes a number of domestic field installations. Because of this requirement,

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which involves problems associated with the movement of personnel to and from various locations, a special need is created for the proper management of personnel outside of the Headquarters system to ensure the orderliness of movement and the provision of personnel administrative support.

3. As a summary observation, therefore, it should be stated that most of the personnel mechanisms found in this Agency can be attributed to the uniqueness of its statutory mission and the complexities of employing different categories of personnel on a worldwide basis and the need to protect the identity of a substantial number of these individuals.

4. The attachment identifies a total of [] man-years attributed to administering the personnel system and training in the CIA.

a. Personnel Careerists: It is estimated that at least [] man-years in the central office are attributable to the operational requirements of the Agency: position classification, administering CIARDS, recruitment, personal affairs, and retirement activity. Of the remaining [], at least [] positions may be attributed to the structure developed by the Agency to administer on a decentralized basis--a concept supported by NAPA--its various organizational and security requirements, e.g., overseas, domestic, communications, etc. Thus, as a rough cut, we would estimate that roughly [] man-years can be segregated as being peculiar to the CIA.

b. OTR: Of the [] man-years shown, the Office of Training estimates that as many as [] percent, can be directly attributed to the fact that it serves the unique needs of CIA.

c. Panels: [] man-years are attributed to the existence of panels throughout the Agency. Other than perhaps the Department of State, we are not certain of how other agencies ensure objectivity in reassignments, promotions, etc. The panel system is, however, an inherent part of the Agency's personnel management system and in the DDO particularly with the movement of large numbers of personnel between overseas and Headquarters. The same is true of certain DDA and DDS&T components, e.g., Communications, Security, OD&E and others. We would estimate that roughly [] man-years are attributable directly to the nature and organizational framework of the various components.

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d. Non-Personnel Careerists Performing Personnel Functions:

The greater portion of the [] man-years identified by NAPA is found in the DDO. Again, the greater share of this group is needed specifically for the needs of a clandestine organization. Thus, we estimate that [] of these man-years may be directly attributable to the workload that flows from an Agency component which operates on a worldwide and domestic basis, and which must operate almost entirely in a secure environment.

5. As a rough estimate, therefore, as many as [] man-years attributed by NAPA in the attachment to administering the Agency's personnel system are found to be unique to the needs and characteristics of CIA. This reduces the total to approximately [] man-years attributed to normal governmental functions.

6. As a summary comment, I advise the DD/A, should he be asked about the NAPA comments on personnel costs, to respond as follows:

a. That he remind the attendees of my meeting with them on the NAPA recommendations and my expressed concerns about the validity of their comments on the ratio of personnel in the Agency working on personnel management issues.

b. Any examination of costs in administering the Agency's personnel management system must take into account the basic fact that the Agency operates in a classified environment and that almost everything we do, which might be found elsewhere in government, must be done in the Agency in a secure manner. Costs are associated with this need to protect the Agency's personnel and classified data.

c. It is possible that more than half of the man-years attributed by NAPA to administering the Agency's personnel management systems may be attributed either to the classified environment in which we work, the specific problems associated with serving a worldwide organization, and the peculiar nature of Agency disciplines and occupational categories which require managerial attention perhaps not found earlier.

d. That the NAPA Study Group is studying the question of personnel costs and will submit its analysis within the near future.



Attachment:

Numbers of Personnel Involved in
Administering the Personnel System
and in the Office of Training

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